

1 **BEFORE**

2 **THE PUBLIC SERVICE COMMISSION OF**

3 **SOUTH CAROLINA**

4 **DOCKET NO. 2018-82-S**

5 IN RE: )  
 6 )  
 7 Application of Palmetto Wastewater Reclamation, )  
 8 LLC for adjustment of rates and charges )  
 9 and for modifications to certain terms and )  
 10 conditions for the provision of sewer )  
 11 service. )  
 12 \_\_\_\_\_ )

13 **PREFILED TESTIMONY OF ANDRENA POWELL-BAKER**

14 **ON BEHALF OF PALMETTO WASTEWATER RECLAMATION, LLC**

15  
 16 **Q. PLEASE STATE YOUR NAME, PRESENT POSITION, AND BUSINESS ADDRESS.**

17 A. My name is Andrena Powell-Baker. I am the Senior Manager of Community  
 18 Relations and Development for Palmetto Wastewater Reclamation, LLC ("PWR"). My  
 19 business address is 420 River Street, Lockhart, South Carolina, 29364.  
 20

21 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

22 A. I obtained a Bachelor of Science degree in Business Administration from Winthrop  
 23 University in 1981. I am a South Carolina Certified Economic Developer with skills and  
 24 experience in industrial site development, negotiations, public relations, project  
 25 management, community development, customer service, marketing strategies, and  
 26 business development. I have more than 30 years of business development and marketing  
 27 experience in the private sector. In addition, I have over eight years of economic  
 28 development experience in industrial recruitment and retention in the public/municipal  
 29 sector. In particular, I have served as the Executive Director for a public economic

1 development organization and collaborated extensively with both public and private utility  
2 companies.

3 I began working with PWR in January 2016. I also serve in a similar capacity for  
4 Palmetto Utilities, Inc., a regulated wastewater utility and Lockhart Power Company, a  
5 regulated electric utility, which, like PWR's indirect parent, Ni Pacolet Milliken Utilities,  
6 LLC, is owned by Pacolet Milliken LLC. Pacolet Milliken, LLC, is a South Carolina  
7 headquartered company that is owned principally by the Milliken family.  
8

9 **Q. WHAT ARE YOUR BUSINESS DUTIES IN YOUR CURRENT POSITION?**

10 A. As Senior Manager of Community Relations and Development, it is my  
11 responsibility to serve as the liaison for PWR with regulators, customers, prospective  
12 customers, the media and the general public. My duties include coordinating meetings  
13 between operating personnel and regulators as well as customers. I also handle customer  
14 complaints or issues that escalate to the Office of Regulatory Staff ("ORS") or South  
15 Carolina Public Service Commission ("Commission"). I act as PWR's spokesperson with  
16 the media and attend ORS meetings and Commission meetings on behalf of PWR when  
17 appropriate. When necessary, I testify in state commission hearings. I coordinate any  
18 requested presentations on behalf of PWR at these meetings. My responsibilities also  
19 include monitoring matters before state agencies and legislatures as they relate to our  
20 operating subsidiaries. I work closely with staff to initiate and coordinate community  
21 support activities.

22 In the capacity of Manager of Business Development, my duties include  
23 marketing the assets and capabilities of PWR and our other systems in an effort to  
24 generate business growth opportunities.

25 These business opportunities benefit the local economy and tax base. I also meet  
26 with, develop, and nurture relationships with local and state officials and professionals in  
27 the area of economic development. I coordinate meetings with municipal utilities

1 representatives, site selection consultants and developers to uncover, initiate and  
2 participate in business development activities on behalf of the company. I am a member  
3 of the Building Industry Association of Central SC whose membership includes over 800  
4 builder and associate firms representing over 7,500 industry professionals who build and  
5 remodel homes and other aspects of residential and light commercial construction. The  
6 organization also includes members who represent multifamily construction, property  
7 management, subcontracting, design, housing finance, and building product  
8 manufacturing. We are a sponsor of their annual Home and Garden Show where we  
9 educate developers, potential customers and attendees about PWR.  
10

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to support PWR's application for an increase in its  
13 authorized sewer rates. Specifically, I will be discussing (1) PWR's efforts to educate  
14 customers about the rate relief proceedings in general, (2) PWR's commitment to  
15 customers, neighbors, and the community and (3) the metrics PWR uses to judge the  
16 performance of its customer service group.  
17

18 **Q. WHAT IS NI PACOLET MILLIKEN UTILITIES, LLC, AND WHAT IS ITS**  
19 **RELATIONSHIP TO PWR?**

20 A. Ni Pacolet Milliken Utilities, LLC is the indirect parent of PWR. Ni Pacolet  
21 Milliken Utilities, LLC, is also the indirect parent of Palmetto Utilities, Inc., which together  
22 with PWR serves over 39,000 equivalent residential connections in central South Carolina.  
23 Ni Pacolet Milliken Utilities, LLC, is a wholly-owned subsidiary of Pacolet Milliken,  
24 which as I noted earlier, also owns Lockhart Power Company. The Pacolet Milliken  
25 management team has vast experience in the operation and management of regulated  
26 utilities, and is committed to quality customer service, a strong environmental record and

1 a commitment to regulatory compliance. We believe this commitment, and its financial  
2 strength that supports necessary capital improvements, enables PWR to be an exemplary  
3 South Carolina utility. In addition to its South Carolina holdings, Ni Pacolet Milliken  
4 Utilities, LLC, also owns and operates one sewer utility and one water utility in Florida.  
5

6 **Q. WHAT HAS PWR DONE TO EDUCATE AND INFORM ITS CUSTOMERS ABOUT THE**  
7 **NEED FOR THIS RATE INCREASE?**

8 A. A notification was direct mailed on November 28, 2018 alerting all customers that  
9 PWR was planning to apply to the Commission for a rate increase and explaining the  
10 need for the request. The notification also included an invitation to two Town Hall  
11 Meetings (December 6<sup>th</sup> and December 10<sup>th</sup>). The purpose of the meetings was to provide  
12 them with the details of why an increase was necessary and give them an opportunity to  
13 have their questions answered by senior PWR representatives. President and Chief  
14 Financial Officer Mark Daday, Chief Operating Officer Bryan Stone, and I were in  
15 attendance to facilitate the December 6<sup>th</sup> meeting. Mr. Daday and I were in attendance  
16 to facilitate the December 10<sup>th</sup> meeting.

17 There were no attendees at the December 6<sup>th</sup> meeting and five attendees signed in  
18 for the December 10<sup>th</sup> meeting. At the December 10<sup>th</sup> meeting, a detailed PowerPoint  
19 presentation was delivered providing an overview of our service and systems; details about  
20 the capital projects and costs associated with them; an explanation of how PWR kept costs  
21 down; a description of customer benefits; a comparison of PWR's rates to nearby utilities;  
22 and the rate increase process.

23 Due to the low attendance at the December 6<sup>th</sup> and December 10<sup>th</sup> meetings, we  
24 decided to offer a third opportunity for our customers to learn the details of the proposed  
25 rate increase. Therefore, a notification went out to all customers on January 7, 2019,  
26 inviting them to attend a January 24, 2019 meeting of the Woodland Hills Civic  
27 Association where our team would be on the agenda to present detailed information

1 regarding the rate increase request, specifics of system improvements, and the rate process.  
2 I collaborated with the president of the Woodlands Home Owners Association, Bob  
3 Ellenberg who allowed our team to present information regarding the rate case to their  
4 members and other customers of PWR during the Association meeting. Mr. Ellenberg  
5 assisted with getting the notification out to members of the Association by making sure  
6 each resident received a flier announcing PWR's presence at the meeting. Seventeen  
7 customers attended the meeting. Mr. Daday and I were in attendance to facilitate the  
8 January 24<sup>th</sup> meeting.

9 Each meeting was followed with an open forum where dialogue occurred between  
10 us and our customers. A copy of the Town Hall Meeting notifications and the PowerPoint  
11 presentations are attached as APB Exhibits "1" and "2," respectively. During the January  
12 24<sup>th</sup> meeting, three customers approached our team with questions and concerns that we  
13 addressed and resolved successfully the week following the January 24<sup>th</sup> meeting. The  
14 president of the Association volunteered to be a liaison between our team and its members  
15 now and in the future.

16 We received several positive comments from customers thanking our team for  
17 hosting the Town Hall Meetings, for communicating with them in a professional way, and  
18 for delivering a compelling presentation. Several also expressed that they understood the  
19 need for the rate increase and appreciated our efforts to inform them in advance.  
20

21 **Q. HAS PWR REVIEWED THE CUSTOMER PROTEST LETTERS REGARDING THIS**  
22 **RATE REQUEST AND, IF SO, HOW MANY RAISE QUALITY OF SERVICE**  
23 **CONCERNS?**

24 **A.** To my knowledge, we have received no customer protest letters regarding this rate  
25 request. As mentioned previously, there were several positive comments from customers  
26 thanking our team for hosting the Town Hall Meetings, for communicating with them in a  
27 professional way, and for delivering a comprehensive presentation regarding the rate

1 making process and PWR's need for rate relief. Several also expressed that they  
2 understood the case for the rate increase and appreciated our efforts to inform them in  
3 advance.  
4

5 **Q. WHAT HAS BEEN DONE TO CONTINUE PWR'S COMMITMENT TO STRONG**  
6 **CUSTOMER SERVICE LEVELS SINCE THE LAST RATE CASE?**

7 A. To continue our commitment to strong customer service levels since our last rate  
8 case in 2014, we have divided billing and customer service into two separate groups. A  
9 new, experienced Customer Service Manager was hired, and training sessions have been  
10 held for the Customer Service Team. Monitoring of customer calls occurs to ensure that  
11 customer service representative ("CSR") performance is appropriate.

12 Call center upgrades include on-line bill payment, a 2<sup>nd</sup> payment station for in-  
13 office check out and an office lobby bill-pay kiosk has been added. A new, user friendly,  
14 website is scheduled to be launched at the end of February 2019.  
15

16 **Q. WHAT METRICS DO YOU USE TO TRACK CUSTOMER SERVICE DEPARTMENT**  
17 **PERFORMANCE?**

18 We operate a hybrid customer service center which consists of an automated call  
19 center and various support functions, as well as a walk-up window and billing services.  
20 The customer service center serves PWR as well as our other systems. The metrics that we  
21 use specifically identify how our customer service representatives, or CSRs, respond to  
22 telephone calls from customers. Another relevant parameter for the hybrid customer  
23 service operation is the number of calls received. There are specific performance goals for  
24 the department measured by three metrics: average ring time, average talk time, and  
25 abandoned calls. Since 2016, data shows that on average, CSR's handle 3,000 calls per

1 month. The average pick-up time is within 8 seconds and average talk time is just over 4  
2 minutes.

3  
4 **Q. WHAT METRICS DO YOU USE TO TRACK INDIVIDUAL CUSTOMER SERVICE**  
5 **REPRESENTATIVE PERFORMANCE?**

6 A. CSR performance is tracked according to: 1) number of calls received, 2) number  
7 of calls completed, 3) average ring time, 4) average talk time, and 5) abandoned call  
8 percentage. Additionally, calls with customers are monitored and each CSR is graded  
9 weekly based on the following additional criteria: (1) initiate and educate: (how do they  
10 greet the customer, do they obtain their name and use it to make the call personal, do they  
11 inquire as to the nature of the call and do they ask how they can be of assistance); (2) obtain  
12 details (do they explain account status, offering concise details and what they can do to  
13 help resolve the situation); and (3) summary and close (do they briefly recap the  
14 conversation and ask if any further assistance is needed).

15  
16 **Q. HOW MANY PERSONNEL ARE DEVOTED TO CUSTOMER SERVICE FUNCTIONS?**

17 A. Currently, there are four CSRs who cover the telephone for the four water/sewer  
18 utility systems operated by Ni Pacolet Milliken Utilities, Inc. Two collection specialists  
19 cover the front desk. In addition, during emergencies and high-volume calling periods,  
20 our Customer Service Manager, Customer Service Supervisor and the two collection  
21 specialists are also available for support.

22  
23 **Q. DOES PWR AND ITS EMPLOYEES PARTICIPATE IN ANY COMMUNITY**  
24 **ACTIVITIES?**

25 A. Yes. As mentioned previously, PWR was acquired by Pacolet Milliken. Ni Pacolet  
26 Milliken Utilities' management team brought with it Pacolet Milliken's culture, which

1 includes a strong focus on community service and environmental sustainability. In addition  
2 to providing over 40 years of job creation, Ni Pacolet Milliken Utilities and/or its  
3 employees participate in, sponsor, and make charitable donations to numerous community  
4 organizations, including the Palmetto Health Breast Cancer Foundation, National Child  
5 Safety Council, Cancer Walk for Life, American Cancer Society's Relay for Life, Families  
6 Helping Families and the Carolina Cup Racetrack Association which supports the Kershaw  
7 County Memorial Hospital.  
8

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.





## Palmetto Wastewater Reclamation, LLC

### TOWN HALL MEETINGS

**Dear Customer:**

**We would like to meet with you.**

As you may have heard, Palmetto Wastewater Reclamation, LLC has recently filed an application with the Public Service Commission of South Carolina (PSC) to increase its service rates. We are hosting two Town Hall meetings in your community to provide you with an opportunity to ask questions about this application, our service to you, or any other matter involving the Company. The Company's need for rate relief is largely comprised of approximately \$7 million in capital investments since 2014. These capital investments complete a \$13 million system refurbishment project coordinated with DHEC which began in 2011. The system refurbishment project included upgrades and refurbishment of the Stoops Creek wastewater treatment facility to increase its longevity, improve its operating efficiency, and allow it to meet stricter environmental limits. We have also performed an exhaustive cleaning and inspection of the utility's collection system and corrected issues identified during this process. These improvements will keep the utility's collection and treatment systems viable well into the future and help us operate efficiently and in an environmentally responsible manner.

With these improvements comes the need for us to increase rates. On November 6, 2018 we filed an application with the PSC for a rate increase to recover the cost of these investments. If approved, this rate increase will likely take effect in May 2019. For reference, our previous rate increase was implemented in 2014.

Enclosed is a notice that an application has been filed with the PSC requesting an increase in the rates for the Company. Any change in our rates will require approval from the PSC.

For investor-owned utilities such as ours, the PSC sets the rates the Company is allowed to charge its customers. The Office of Regulatory Staff is responsible for auditing our expenditures and making necessary adjustments. The new SC Consumer Advocate may participate in the PSC proceeding to review our application. In exchange for providing reliable and non-discriminatory service to all customers in the service area, the Company is allowed the opportunity to earn a reasonable return on investments and to recover reasonable operating expenses.

We would like to invite you to a meeting to learn more about Palmetto Wastewater Reclamation. Below is a list of **TOWN HALL MEETINGS** to be held in your community the weeks of December 3<sup>rd</sup> and 10<sup>th</sup>. **Please plan to attend** either of the meetings so that we may answer any questions that you may have.

**WHEN and WHERE**

Thursday, December 6, 2018	Ashland United Methodist Church Ashland Hall 2600 Ashland Rd Columbia, SC 29210	5:30pm – 7:00pm
Monday, December 10, 2018	Ashland United Methodist Church Ashland Hall 2600 Ashland Rd Columbia, SC 29210	5:30pm – 7:00pm

Palmetto Wastewater Reclamation, LLC appreciates all of its customers. We hope you will attend one of the upcoming meetings and find it to be an opportunity for an open discussion of how the utility system works, the reasons behind our need for rate relief, our service to you, and any other matters regarding the Company. We look forward to seeing you there.

Sincerely,

Andrena Powell-Baker, SCCED – Senior Manager, Community Relations and Development  
Mark S. Daday – Chief Financial Officer  
Bryan Stone, P.E. – Chief Operating Officer

***Palmetto Wastewater Reclamation, LLC***



## Palmetto Wastewater Reclamation, LLC

### TOWN HALL MEETINGS

**Dear Customer:**

**We would like to meet with you.**

As you may have heard, Palmetto Wastewater Reclamation, LLC has recently filed an application with the Public Service Commission of South Carolina (PSC) to increase its service rates. We are hosting an additional Town Hall meeting in your community to provide you with an opportunity to ask questions about this application, our service to you, or any other matter involving the Company. The Company's need for rate relief is largely comprised of approximately \$7 million in capital investments since 2014. These capital investments complete a \$13 million system refurbishment project coordinated with DHEC, which began in 2011. The system refurbishment project included upgrades and refurbishment of the Stoops Creek wastewater treatment facility to increase its longevity, improve its operating efficiency, and allow it to meet stricter environmental limits. We have also performed an exhaustive cleaning and inspection of the utility's collection system, and corrected issues identified during this process. These improvements will keep the utility's collection and treatment systems viable well into the future and help us operate efficiently and in an environmentally responsible manner.

With these improvements comes the need for us to increase rates. On November 6, 2018 we filed an application with the PSC for a rate increase to recover the cost of these investments. If approved, this rate increase will likely take effect in May 2019. For reference, our previous rate increase was implemented in 2014.

Enclosed is a notice that an application has been filed with the PSC requesting an increase in the rates for the Company. Any change in our rates will require approval from the PSC.

For investor-owned utilities such as ours, the PSC sets the rates the Company is allowed to charge its customers. The Office of Regulatory Staff is responsible for auditing our expenditures and making necessary adjustments. The new SC Consumer Advocate may participate in the PSC proceeding to review our application. In exchange for providing reliable and non-discriminatory service to all customers in the service area, the Company is allowed the opportunity to earn a reasonable return on investments and to recover reasonable operating expenses.

The Company held two TOWN HALL MEETINGS (December 6<sup>th</sup> and December 10<sup>th</sup>) in 2018. In an effort to reach a larger number of customers, our team will be on the agenda of the next Woodland Hills Civic Association meeting. All customers are invited to attend. **The meeting will be held on JANUARY 24<sup>th</sup>, 2019 at the ASHLAND UNITED METHODIST CHURCH.** Specific details are below. **Please plan to attend** this important meeting so that we may answer any questions that you may have.

**WHEN and WHERE**

Thursday, January 24, 2019	Ashland United Methodist Church Ashland Hall 2600 Ashland Rd Columbia, SC 29210	7:00pm – 8:30pm
----------------------------	--	-----------------

Palmetto Wastewater Reclamation, LLC appreciates all of its customers. We look forward to an open discussion of how the utility system works, the reasons behind our need for rate relief, our service to you, and any other matters regarding the Company.

Sincerely,

Andrena Powell-Baker, SCCED – Senior Manager, Community Relations and Development  
Mark S. Daday – Chief Financial Officer  
Bryan Stone, P.E. – Chief Operating Officer

***Palmetto Wastewater Reclamation, LLC***

# Palmetto Wastewater Reclamation, LLC

## Town Hall Meetings December 6 & 10, 2018

<b>Thursday, December 6, 2018</b>	<b>Ashland United Methodist Church Ashland Hall 2600 Ashland Rd Columbia, SC 29210</b>	<b>5:30 pm – 7:00 pm</b>
<b>Monday, December 10, 2018</b>	<b>Ashland United Methodist Church Ashland Hall 2600 Ashland Rd Columbia, SC 29210</b>	<b>5:30 pm – 7:00 pm</b>



Palmetto Wastewater Reclamation

# Agenda

- Introductions

**Andrena Powell-Baker** – Sr. Mgr., Community Rel. & Development

**Bryan Stone** – Chief Operating Officer

**Mark Daday** – Chief Financial Officer

- Customer Service Update
- Capital Project Investments
- Rate Case and Increase
- Questions/Comments



Palmetto Wastewater Reclamation

# Service Update

- Owned and operated since 2011, long term investor, job creator dedicated to excellent customer service
- Customer Service Team
  - Handle 3,000 calls/month
  - Average call pick-up in 8 seconds
  - Average call time less than 4 minutes
- Call Center Upgrades
  - On-line bill payment added
  - 2<sup>nd</sup> payment station for in office check out
  - Office lobby bill-pay kiosk added
- Customer Service Manager and Billing Representative are here if you have any questions after the presentation



Palmetto Wastewater Reclamation

# Wastewater Systems - General Overview

- Collection System - Pipes and pumps connecting houses and businesses to Treatment System
- Treatment System - treats dirty water to near drinking water quality, per DHEC regulations
  - Wastewater Treatment Plant (WWTP) – combination of biological and chemical treatment processes and equipment
  - Lagoon – aerated small pond using natural biological process
- Treated Water (“Effluent”) discharged into:
  - Streams/Rivers – Operating permit limits protect water quality





# System Overview

## **System Overview and History**

- Purchased from prior owners in 2011, combined Alpine and Woodland Utilities
- Mostly in Lexington County, ~ 1,700 customers
- 7,700 Equivalent Residential Customers (ERCs) – meaning a large number of commercial and apartment type customers
- Low cost service, stable customer base
- One wastewater treatment plant and one lagoon
- Treated water discharged into Saluda River under tight permit limits
- As a condition of the system purchase, engaged in major system–wide repair and refurbishment project in concert with DHEC



Palmetto Wastewater Reclamation

# General System Investments

- Previous owner had many spills and violations, with associated bad press
- Since purchase, we've invested ~\$13 million total, split into major refurbishment projects (next slide) and other investments and programs, including:
  - Implemented grease trap program
  - Removed roots from pipeline
  - Replaced Rolling Pines pipeline
  - Recovery from the 2015 historic flood



Palmetto Wastewater Reclamation

# Major Refurbishment Project

- Major refurbishment project
- Stoops Creek WWTP complete refurbishment and upgrade
- Replaced or refurbished much of the major equipment, including tanks, aerators, and controls
- Added redundancy in key processes and equipment
- Cleaned, inspected, videoed and refurbished almost 100% of the underground collection system pipelines
  - Inspected a quarter million feet of piping
  - Performed hundreds of piping and manhole repairs
  - Eliminated hundreds of I&I sources
  - Dramatically reduced the quantity and severity of spills
- Major turnaround success story!



## Project Investment Conclusion

We have carefully invested the minimum amount needed to continue to serve a stable customer base at the lowest long-term cost, because we understand the financial impact we have on our customers' lives.



Palmetto Wastewater Reclamation

# Rate Case and Increase Request

- Rates are determined by the S.C. Public Service Commission
  - Formal legal process that takes about 6 months
  - Hearing scheduled at the Public Service Commission on April 8 and, if necessary, April 9, 2019.
- Filed on November 6<sup>th</sup>, 2018 – New rates to be determined in May 2019
- Last rate request was March 2014
- This increase is recovering:
  - ~\$7 million investments in the refurbishment project made since the last rate case.
  - Represents the final piece of the \$13 million total project



## Rate Case and Increase Request

- Requesting a \$6.68 per month increase to \$41.18 per month flat rate
- This equates to about a 3.9% annual increase since our last increase awarded (September 2014 to May 2019)
- No major projects expected for this utility over the next 5 years – any rate increase expected to be just inflationary in nature
- Proposed total monthly rate includes:
  - \$6.82 per month in property taxes
  - \$2.25 per month in income taxes



Palmetto Wastewater Reclamation

# Neighboring Monthly Wastewater Residential Rates

	Current
Town of Winnsboro <sup>(1) (2)</sup>	\$72.89
Town of Lexington <sup>(2)</sup>	\$68.84
City of Columbia <sup>(1) (2) *</sup>	\$66.58
Carolina Water	\$65.09
City of Cayce <sup>(2)</sup>	\$54.38
Palmetto Utilities	\$52.10
City of Columbia (in city rates) <sup>(1) *</sup>	\$51.64
Lexington County Joint Municipal <sup>(1)</sup>	\$51.33
Richland County – Broad River	\$44.54
Midlands/DSI (Synergy)	\$43.00
<b>Palmetto Wastewater Reclamation</b>	<b>\$41.18</b>
Kershaw County <sup>(1) (4)</sup>	\$40.00
East Richland County PS District <sup>(3)</sup>	\$35.77

- (1) Assumes 6,000 gal. per month
- (2) Out of city rates
- (3) Includes estimate of ad valorem tax subsidies
- (4) Does not include the impact of any tax revenues used to support wastewater system.

\* Rates expected to rise significantly over the next 5 years due to \$750 million consent decree with EPA



Palmetto Wastewater Reclamation

# Questions/Comments

**Mark Daday** – Chief Financial Officer

**Bryan Stone** – Chief Operating Officer

**Andrena Powell-Baker** – Sr. Manager, Community Relations and Development



Palmetto Wastewater Reclamation



# Palmetto Wastewater Reclamation, LLC

## Town Hall Meeting

**Thursday, January 24, 2019**

**Ashland United Methodist Church  
Ashland Hall  
2600 Ashland Rd  
Columbia, SC 29210**

**7:00 pm –  
8:30 pm**



Palmetto Wastewater Reclamation

# Agenda

- Introductions

**Andrena Powell-Baker** – Sr. Mgr., Community Rel. & Development

**Mark Daday** – Chief Financial Officer

- Customer Service Update
- Capital Project Investments
- Rate Case and Increase
- Questions/Comments



Palmetto Wastewater Reclamation

# Service Update

- Owned and operated since 2011, long term investor, job creator dedicated to excellent customer service
- Customer Service Team
  - Handle 3,000 calls/month
  - Average call pick-up in 8 seconds
  - Average call time less than 4 minutes
- Call Center Upgrades
  - On-line bill payment added
  - 2<sup>nd</sup> payment station for in office check out
  - Office lobby bill-pay kiosk added
- Customer Service Supervisor is here if you have any billing questions after the presentation.



# Wastewater Systems - General Overview

- Collection System - Pipes and pumps connecting houses and businesses to Treatment System
- Treatment System - treats dirty water to near drinking water quality, per DHEC regulations
  - Wastewater Treatment Plant (WWTP) – combination of biological and chemical treatment processes and equipment
  - Lagoon – aerated small pond using natural biological process
- Treated Water (“Effluent”) discharged into:
  - Streams/Rivers – Operating permit limits protect water quality



# System Overview

## **System Overview and History**

- Purchased from prior owners in 2011, combined Alpine and Woodland Utilities
- Mostly in Lexington County, ~ 1,700 customers
- 7,700 Equivalent Residential Customers (ERCs) – meaning a large number of commercial and apartment type customers
- Low cost service, stable customer base
- One wastewater treatment plant and one lagoon
- Treated water discharged into Saluda River under tight permit limits
- As a condition of the system purchase, engaged in major system-wide repair and refurbishment project in concert with DHEC



# Major Refurbishment Project

- Previous owner had many spills and violations
- Since purchase, we've invested ~\$13 million total including:
  - Stoops Creek WWTP complete refurbishment and upgrade
    - Replaced or refurbished much of the major equipment and added redundancy in key processes and equipment
  - Cleaned, inspected, videoed and refurbished almost 100% of the underground collection system pipelines
    - Inspected a quarter million feet of piping
    - Performed hundreds of piping and manhole repairs
    - Dramatically reduced the quantity and severity of spills
  - Recovery from the 2015 historic flood
- Major turnaround success story!



## Project Investment Conclusion

We have carefully invested the minimum amount needed to continue to serve a stable customer base at the lowest long-term cost, because we understand the financial impact we have on our customers' lives.



Palmetto Wastewater Reclamation

# Rate Case and Increase Request

- Filed on November 6<sup>th</sup>, 2018
- Rates are determined by the S.C. Public Service Commission
  - Formal legal process that takes about 6 months
  - New rates to be determined in May 2019
  - Office of Regulatory Staff represents interests of customers and others
  - Public Hearing scheduled at the Public Service Commission on April 8 and, if necessary, April 9, 2019.
- Last rate request was March 2014
- This increase is recovering:
  - ~\$7 million investments in the refurbishment project made since the last rate case, represents the final piece of the \$13 million total project





## Rate Case and Increase Request

- Requesting a \$6.68 per month increase to \$41.18 per month flat rate
- This equates to about a 3.9% annual increase since our last increase awarded (September 2014 to May 2019)
- No major projects expected for this utility over the next 5 years – any rate increase expected to be just inflationary in nature
- Proposed total monthly rate includes:
  - \$6.82 per month in property taxes
  - \$2.25 per month in income taxes



Palmetto Wastewater Reclamation

# Neighboring Monthly Wastewater Residential Rates

	Current
Town of Winnsboro <sup>(1) (2)</sup>	\$72.89
Town of Lexington <sup>(2)</sup>	\$68.84
City of Columbia <sup>(1) (2) *</sup>	\$66.58
Carolina Water	\$65.09
City of Cayce <sup>(2)</sup>	\$54.38
Palmetto Utilities	\$52.10
City of Columbia (in city rates) <sup>(1) *</sup>	\$51.64
Lexington County Joint Municipal <sup>(1)</sup>	\$51.33
Richland County – Broad River	\$44.54
Midlands/DSI (Synergy)	\$43.00
<b>Palmetto Wastewater Reclamation</b>	<b>\$41.18</b>
Kershaw County <sup>(1) (4)</sup>	\$40.00
East Richland County PS District <sup>(3)</sup>	\$35.77

- (1) Assumes 6,000 gal. per month
- (2) Out of city rates
- (3) Includes estimate of ad valorem tax subsidies
- (4) Does not include the impact of any tax revenues used to support wastewater system.

\* Rates expected to rise significantly over the next 5 years due to \$750 million consent decree with EPA



Palmetto Wastewater Reclamation

# Questions/Comments

**Mark Daday** – Chief Financial Officer

**Andrena Powell-Baker** – Sr. Manager, Community Relations and Development



Palmetto Wastewater Reclamation